

Treetops Hospice Trust

Annual report and consolidated accounts

for the year ended 31 March 2008

Charity number: 519540

Company number: 1801708

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Treetops Hospice Trust

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Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31 March 2008.

Reference and administrative information

Trustees & directors

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

Chairman: Mr M O'Brien

Vice Chairman: Mr J Griffiths

Treasurer: Vacant

Elected Trustees: Mr W Baxendale-Baines (resigned 31 March 2008)
Mr G Saville
Dr J Dornan
Mr M Fox
Dr H Godridge
Mrs J Heath
Mr R Webster
Mrs S Basker
Mr A Wardle
Ms M King

Chief Executive: Ms C Janes

Company Secretary: Mr R Thomas

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

Charity number:	519540
Company number:	1801708
Registered office:	Treetops Hospice Derby Road Risley Derby DE72 3SS
Auditors:	Cedar Audit Limited Lucre House 106-108 Ashbourne Road Derby DE22 3AG
Bankers:	Alliance & Leicester plc Bridle Road Bootle Merseyside GIR 0AA
Solicitors:	Ellis Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

Structure, Governance and Management

Governing Document

Treetops Hospice is a registered charity and company limited by guarantee without a share capital and was set up on 20th March 1984 under the name Draycott Hospice Association. The name of the company was changed to Treetops Hospice Trust on 21st June 1993. The charity's governing document is its Memorandum and Articles of Association (last amended on 17th June 2002), which restrict the charity's operations to all such lawful acts as are incidental or necessary to the attainment of its objectives.

Objectives of the Charity

The objectives of the charity are contained in full in the Memorandum and Articles of the charity. They are also clearly stated in the Mission, Principles and Values statement and are summarised as follows:

- To provide palliative care services to adults living in Southern Derbyshire and Nottinghamshire who are suffering from life-limiting conditions, their families and significant carers
- To contribute to the development of palliative care services within Southern Derbyshire and Nottinghamshire

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

- To engage in such activities as to raise sufficient funds which will enable the charity to achieve its objectives and provide care and treatment of persons suffering from life-limiting illnesses

These objectives are met through the provision of care services as follows:

- Day Care Provision
- Bereavement Support
- Complementary Therapy
- Hospice at Home
- Volunteer Home Sitting
- Carer Support
- Out Patient Clinic
- Education

Management

The responsibility to ensure appropriate management of the charity is vested in the Board of Trustees, which is elected annually by the members of the Company. To assist the Board in discharging and achieving its responsibilities, it receives regular reports on some aspects of its principle functions from the Finance and Income Generation and the Clinical committee. These committees consist of members of the Board of Trustees and key members of staff. Each of these committees meets a minimum of six times a year reporting on and reviewing all the financial and clinical activity of the charity. The Board meets six times a year with additional meetings as needed.

The Chief Executive, who leads the management team, is responsible to the Board of Trustees for the day-to-day management of the charity and the execution of the policies and strategies defined by the Board through its committees.

Appointment, Induction and Training of Trustees

In November 2005, Trustees took time out to consider Governance issues and, following an Away Day, agreed to adopt the seven principles contained in Good Governance – a Code for the Voluntary and Community Sector (2005, ACEVO, ACSA, NCVO on behalf of The National Hub of Expertise in Governance), adapting them to suit the needs of the charity.

In 2007 the Board agreed a written structure for the induction of new Trustees, and a code of conduct for Trustees and the Chief Executive. Trustee induction is managed by the Chief Executive and the Company Secretary and includes written information on the following topics

- The legal status of the charity and governance
- The structure and staffing of the organisation
- Finance information
- Policies and strategy
- Professional advisers

In addition, new Trustees are encouraged to spend time in the Hospice to meet individual members of the organisation and patients. All new Trustees will spend time with the Chair of the Board and the Chief Executive at an early stage. The charity subscribes to Governance a journal for Trustees, officers receive individual copies and a copy is held in the general office and Trustees are given information on relevant training courses.

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

Risk Management

The Board has agreed a risk management structure for the organisation and has identified the major risks to which the organisation is exposed. Appropriate mitigating action has been taken and significant external risks to funding have been reviewed in 2007 as the Board revised the strategic plan. Internally, the Health and Safety committee continue to ensure that all relevant issues are considered and addressed at departmental level and the Health and Safety Responsible Person prepares bi-annual Health and Safety reports for the Board.

Strategy and Organisation

The Board of Trustees set the strategic direction of the charity through the preparation of a five-year business plan. The current plan was agreed in February 2003 and covers the period 2003 to 2008; it will be reviewed and revised by Trustees during 2008/9. The Chief Executive is charged with ensuring that departmental operational plans are prepared annually. Departmental and organisational objectives are encapsulated in the annual budget and progress towards achieving objectives is monitored and reviewed through the respective Board and Sub Committee meetings of the Trustees. All activities of the organisation are monitored and reviewed by the Trustees through the production of monthly management accounts and care service delivery statistics, and bi-monthly Chief Executive Reports.

Governance

Trustees held an away day in November 2005 to address the issues of Governance and Trusteeship within the charity. They agreed to adopt the Good Governance code produced by ACEVO and the NCVO on behalf of the National Hub of Expertise in Governance (2005), and will work towards ensuring that the principles are applied in practice by:

- Adapting the code to the needs of the organisation
- Working with the Chief Executive to develop an action plan to implement working practices
- Monitoring the performance of the Board against the action plan
- Auditing/Evaluating the work of the Board through annual Away Days

Clinical Governance is the remit of the Clinical Sub Committee.

Volunteer Services

The Hospice works with 440 volunteers who support and enrich the work of the organisation in every department including the funding and retail companies. Volunteers receive a general, two and a half hour induction to the Hospice and this is followed by extensive training to prepare them for working in specific departments. Over the last 12 months, we have recruited volunteers into all areas of the organisation including staffing our new shop in Heanor, increasing our administration team and, latterly, to help the Treetops Hospice Ripple Appeal. This is in addition to recruiting volunteers to replace those lost through 'natural wastage'. (This is often because of changed family circumstances such as bereavement, illness or being needed to care for grandchildren, but can also be because a volunteer has successfully secured paid work as a result of their positive volunteering experience.) We have careful selection procedures for volunteers as it is important that the volunteer has his/her motivations met as well as satisfying the needs of the various departments within the organisation. Volunteers are to be commended for their commitment, not only to their roles, but also to attending statutory training and support meetings.

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

Trustees are aware that the value of volunteers to the Hospice goes well beyond monetary considerations, but the time they give voluntarily equates to a saving of salary costs that amounts to around £750k (calculations are based on minimum wages). There is absolutely no doubt that the Hospice would not be able to provide the services it does without the support received from volunteer staff and we are indebted to their generosity.

Objectives and Activities

Funding Sources

Financial Review

The Charity's gross income increased significantly from £1,357,779 to £1,726,822, an increase of 27%. Gross costs increased from £1,323,442 to 1,361,988 an increase of 2.91%.

In 2003 Trustees set the following broad, five-year, business objectives for the organisation:

- To establish plans for the development of a new Care and Education centre
- To develop revenue income to a minimum of £1million per annum by 2008
- To maximise the delivery of care services within agreed, budgeted costs, to meet, as a minimum, service level agreements

The Business Plan identified the following broad departmental income targets, which are shown alongside actual performance. The previous years actual performance figures are also shown in order that actual income generation growth can also be seen:

Income Generation Stream	Business Plan Income Targets	Actual Income 07/08	Actual Income 06/07
Statutory Funding	£316,600	£347,880	£293,605
Funding Company (profit only)	£100,000	£76,515	£42,241
Retail Company (profit only)	£438,000	£94,466	£104,159
Fundraising (profit only)	£175,000	£211,276	£197,634
Total	£1,029,100	£730,037	£637,639

The business plan "income targets" have not been met and fall short by 30%. The targets set in 2003 were optimistic; however, the current year shows an increase of 14.5% over the previous year.

Overall costs, throughout departments, were well controlled and budget targets were not exceeded.

During the year legacy income totalling £345,366 was received. It is the policy of the Board of Trustees that, whenever possible, legacy income should be used to increase the financial reserves of the organisation.

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

Treetops Funding Limited and Treetops Retail Limited

In 2003 Treetops Retail Limited was created for the Retail Shops and Catering operation. The company is VAT registered. Treetops Funding Limited now operates the Treetops Hospice Lottery only.

The Charity's wholly owned trading subsidiaries carry out non-charitable trading activities for the Charity. During the year the funding and retail companies made gift-aid payments of £162,700, of taxable profits to the charity, an increase of 9.8% over the previous year.

Funding Company – Treetops Hospice Lottery

The Funding Company's turnover increased from £237,818 to £263,068 (11%) and profit increased from £42,241 to £76,515 (81%). This has been another record year for the Lottery and it is now in a position from which it should go from strength to strength.

Retail Company

The Retail Company's turnover was virtually the same as the previous year at £364,740 but costs rose to £270,274 an increase of just over 4% and consequently profit was down from £104,159 to £94,466 (9.4%). The principle reasons for this were the increased running costs and investment in a new shop in Heanor, which opened in December 2007 and which only moved into profit in April 2008.

For 2008-9 it has been agreed that further investment will be made in the Retail Company. Recycling of textiles has always been part of the Retail Company's operations and it was decided to expand this through the extension of the rented warehouse space and the employment of a Warehouse Manager. In the light of the declining economic conditions on the high street it is felt prudent to diversify the range of operations to mitigate the effect of any downturn.

Fundraising

Internal fundraising includes income from events, donations, industry and trusts. Income from events is variable and not always accurately predictable, it is hoped that dependence on this income will be reduced, whilst sustainable income generation will be increased through the implementation of the fundraising strategy. As a priority, the legacy strategy will be implemented and income from regular giving will be developed.

Other fundraising activities, including donations and sponsorship, increased by 5.7% to £279,237.

Investment

The Charity's liquid assets are held solely in interest bearing investment accounts and it does not have any investments, other than the £10,000 invested in Treetops Funding Limited and £1,000 in Treetops Retail Limited. The amount of interest received increased by £7,965 to £18,212.

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

Reserves Policy

The stated policy of the Trustees is to work towards developing reserves to a level equivalent to three months operating costs as a minimum and a maximum of twelve months operating costs in order to provide a buffer for uninterrupted service delivery given the need to match variable income with fixed commitments and the nature of the reserves. As can be seen from the financial statements the total net current assets of the hospice stand at £570,259 as at March 31st 2008, of this figure £462,303 are available funds, restricted funds include £39,200 relating to the Children's Bereavement Project, which is starting in July 2008 and £68,756 relating to the Ripple Appeal.

The Ripple Appeal

In 2003 the Trustees agreed to launch a Capital Appeal under the name of the Ripple Appeal to raise funds for the building of a new annex to the existing Hospice in order to provide a dedicated Day Care Unit with more Complementary Therapy facilities and with provision for Education and Conferencing.

A new Ripple Appeal Manager was appointed in August 2007. The Treetops Hospice Ripple Appeal Challenge was launched in early 2008. The Challenge is to motivate and inspire 2,500 individuals, companies, clubs, societies, schools, churches etc to pledge to raise £1,000 each. Public awareness of the project is at an all time high. There has been a significant increase in support and interest in the local communities of Nottingham and Southern Derbyshire. This has resulted in a very busy calendar of events. The Ripple Appeal Manager has formed a number of committees to drive the diverse range of fundraising activities and a number of volunteers have been recruited to assist with the project.

The Trustees are indebted to the design team for the work they have done to date. The team includes:

Architect – John Hallatt to whom a special thank you for donated services is due
Mechanical and Electrical Consultant – Chris Starr, of DH Squire Consulting Engineers (a Nottingham based company)
Quantity Surveyors and Planning Supervisor– Alan Gaskell and Chris Matthewman, of Gaskell Associates (a Nottingham based company)
Civil Engineer – Paul Mills, of Alan Brough Associates (a Derby based company)

Review of the period's activities

Provision of Care

During 2007/2008 the organisation continued to work in partnership with other providers of health care in the delivery of effective palliative care to the local community. Collaborative work forms part of national initiatives and Treetops Hospice works alongside both Southern Derbyshire and Nottinghamshire PCT commissioners who oversee the provision of local services with the aim of ensuring that resources are used to the best advantage of those in need of palliative care. The Hospice also works closely and collaboratively with other health care providers such as District Nursing Services, local General Practitioners, local hospital units, bedded hospice units, specialist nurses and hospital doctors and consultants and other providers of home care such as Marie Curie Cancer Care and Nottinghamshire Hospice. The aim is to dovetail services ensuring that the patient, their family and friends retain their voice and are truly at the centre of the care provided.

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

Overall clinical service objectives for the period were as follows:

- To increase service delivery to the maximum allowed by departmental budgets ensuring that service level agreement targets were, as a minimum, met
- To monitor the quality of service delivery by seeking the opinions of service users and ensure that the results of audit/evaluation are fed back appropriately to those delivering the services and the Board of Trustees
- To develop new services as agreed by trustees and within the limits set by the budget

Overall the total number of patients receiving care during the year increased by 6.4% over the previous year. A total of 717 individuals received care; of these, 506 were new patients who registered with the clinical services for the first time. Overall, 19% of the total number of new patients during the year had a non-cancer diagnosis.

Of the 717 people cared for over the period, 398 (55%) compared with 371 in the previous year died within the year. Of the patients who died during the year, 285 (72%) died at home, 65 died in hospital, 43 in specialist palliative care units and 5 in other places i.e. nursing homes.

National research shows that most people with cancer, given a choice, would wish to die at home. Within our services the percentage of patients who stated a preference of place of death was 45% and of those 93% achieved their preference. This reflects the effectiveness of collaborative working with other health professionals and home care providers in our local community whose remit is in helping patients to die in the place of their choice.

The service objectives stated above were all achieved.

Audit/evaluation is continuous in all departments and indicates that patients are extremely satisfied with the care they receive. The results of audit/evaluation are submitted to and scrutinised by the Clinical Sub-committee and circulated to the full Board.

The catchment area for the Hospice follows the boundaries of the Southern Derbyshire and Nottinghamshire. In total the catchment area has a population in excess of 900,000.

Hospice at Home

Caring for someone with a life-limiting illness at home, 24 hours a day can be both physically and emotionally exhausting. Patients are often admitted to hospital, or hospice, because the family or carers can no longer cope. By providing extra care and support in the home, it is possible to alleviate some of the strain felt by carers and allow the patient to remain at home, if that is their wish, and to die, with dignity, in the place of their choice.

A team of qualified nurses and experienced health care assistants is available 24 hours a day, 365 days a year. The service is managed by the Clinical Services Manager and provides skilled, specialist palliative care, at home, to those who have life-limiting illnesses.

Performance Targets

Service delivery targets are set within the service level agreements on which statutory funding is based as follows:

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

Service Level Agreement	Target Contact Hours	Actual Contact Hours
Derbyshire	14,033	13,528
Nottingham	2,500	3,958

The Hospice at Home service contract with Nottingham Primary Care Trusts was exceeded by just over 58% despite the agreed contracted increase for 2007-2008 of 900 hours. Additional hours for Nottingham attracted full-cost recovery receiving additional funding of £32,000 in recognition of the over performance.

2,728 homecare visits were provided during the year with, an increase of 1,176 hours (7.2%) above the previous year.

The total number of patients registered during the period was 440, an increase of 5% over the previous year. Of these, 389 people received care for the first time ever during the year. There were a total of 601 referrals to the service an increase of 8% over the previous year.

Audit and evaluation of the service is now a continuous process and the results are fed back to the Board via the Clinical Sub-Committee. In 2008 the department will again aim to maximise its service delivery within the constraints of the budget, revise and develop the audit/evaluation tools in use, and aim to monitor actual provision against agreed targets and ensure that the statutory funding is compatible with the actual level of service provision.

Day Care Unit

Day Care gives people with life-limiting illnesses the opportunity to meet other people, in similar situations, in a secure, caring environment. The aim of Day Care is to improve the patient's quality of life, wherever possible, by providing skilled, high quality care with particular regard given to the management of physical, social, emotional and spiritual difficulties. A change of environment, social stimulation and activities, appropriate to each individual, are integral parts of the service.

The total number of patients accessing Day Care during the year was 190, an increase of 14% over the previous year. Of these 93 guests attended for the first time. There were 140 referrals to the unit, a 7% increase on the previous year. Performance, measured against service level agreements, was as follows:

Service Level Agreement	Target Attendances	Actual Attendance
Derbyshire	1,400	2,185
Nottingham	215	277

As can be seen from the above, the service level targets for Derbyshire and Nottingham were exceeded by 52%, although no additional statutory funding was achieved.

Patients in Day care can access therapeutic activities including complementary therapies such as hand, head and foot massage; and creative and diversional therapy.

Complementary Therapy

Complementary Therapies are available to patients, carers and the bereaved. The aim is to provide treatments that enable people to cope more effectively with their situation both in terms of managing physical and emotional symptoms. Fully qualified therapists offer aromatherapy, reflexology, Reiki and Indian head and shoulder massage. Overall, the total

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Report of the trustees for the year ended 31 March 2008 (continued)

number of individual treatments provided increased slightly over the previous year to 556. Whilst a very small service level agreement exists with Nottingham, the funding is primarily charitable and this has limited the development of the service over the year.

Complementary Therapy Activity	Target Treatments	Actual Treatments
Derbyshire	0	480
Nottingham	44	76

Bereavement Support Services

Bereavement is almost invariably a sad and often emotionally painful and draining experience but it is a natural process and many people would not want any intervention from anybody other than friends or relatives. For some people, however, it is known that help from outside the family is beneficial. Support is provided to those who have had contact with the Hospice and those with no previous contact. Our philosophy states that we only accept self referral to the service as this is the best indicator that they are ready to engage in the therapeutic process. The service is managed by a BACP accredited counsellor who works with a team of, specially trained, volunteers that includes qualified counsellors, counsellors in training and individuals who have accessed the in-house bereavement training course. The team, in addition to providing individual one to one support sessions for individual clients, assists the Counsellor in contacting all families following their bereavement by letter and telephone.

Service Level Agreement	Target Contacts	Actual Contacts
Derbyshire	70	937
Nottingham	0	103
Leicestershire	0	51

The total number of clients receiving bereavement support during the year was 156, an increase of 14% over the previous year; there were 108 referrals to the service. The total number of support contacts during the year was 1,173, an increase of just under 10% over the previous year. As can be seen above, the service level agreement with Derbyshire was significantly exceeded; however, this service attracted no additional funding during the year.

Out Patient Clinic

The charity has hosted an outpatient clinic staffed by a medical consultant from the local NHS palliative care unit in Derby for some years. This allows the charity to refer patients to the clinic if medical intervention is required and reduces the need for many local people to travel to the city centre for medical assessment. No funding is received for this provision and so there are no service level agreements. However, the department aims to increase the number of patients seen on a year-by-year basis whilst remaining conscious of the need not to exceed the agreed budget. The total number of clinic attendances fell slightly compared to last year at 152.

	06/07	07/08
Total number of clinic attendances	165	152

Treetops Hospice Trust

Report of the trustees for the year ended 31 March 2008 (continued)

The rotation of members of the Day Care Unit staff through the clinic, in order to develop and maintain their specialist palliative care knowledge and skills, has continued with positive benefits. Co-ordination of the clinic has become a defined role for one of the Day Care Unit Staff Nurses.

Carers Support

Almost one in eight people provide unpaid help and support to a relative or friend who is frail, sick or disabled (Carers Week Survey 2006), and 79% of carers surveyed say that their health is affected by caring, with stress and depression being amongst the commonest complaints. The Hospice provides support in the form of a fortnightly Carers' Support Group. At these meetings carers give each other support and benefit from the opportunity to concentrate on meeting their own needs. The group is run by volunteers under the supervision of the Day Care Unit Manager. The group is available to all carers.

During the year there were 252 attendances at 24 support sessions, an increase of 29% on the previous year. We have also provided two dedicated carer's days 'You matter too' giving the opportunity for carers to meet, access complimentary and other support services.

Trustees responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of the affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make sound judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will not continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution will be proposed at the Annual General Meeting that Cedar Audit Limited be re-appointed as auditors to the charity for the ensuing year.

By order of the trustees



Mr M O'Brien (Chairman)

Date: 28/7/08

Treetops Hospice Trust

Independent Auditor's Report to the trustees of Treetops Hospice Trust

We have audited the financial statements of Treetops Hospice Trust for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Affairs, the consolidated Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of Treetops Hospice Trust for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Treetops Hospice Trust

Independent Auditor's Report to the trustees of Treetops Hospice Trust (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group and the company's affairs as at 31 March 2008, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Cedar Audit Ltd.

Cedar Audit Limited
Lucre House
106-108 Ashbourne Road
Derby
DE22 3AG

Date: 1.10.08

Treetops Hospice Trust

Consolidated statement of financial activities for the year ended 31 March 2008

	Note	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total 2008 £	Total 2007 £
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	3	50,446	528,202	578,648	304,808
- Activities for generating funds	4	-	755,188	755,188	722,631
- Investment income	5	-	18,212	18,212	10,247
Incoming resources from charitable activities	6	-	374,774	374,774	320,093
Total incoming resources		50,446	1,676,376	1,726,822	1,357,779
Resources expended					
Cost of generating voluntary income	7	193	580,073	580,266	574,434
Charitable activities	8,18	6,047	760,382	766,429	737,910
Governance costs	9	-	15,293	15,293	11,098
Total resources expended	10	6,240	1,355,748	1,361,988	1,323,442
Net incoming resources		44,206	320,628	364,834	34,337
Fund balance at 31 March 2007		77,088	487,597	564,685	530,348
Fund balance at 31 March 2008	18,19	121,294	808,225	929,519	564,685

Treetops Hospice Trust

Consolidated balance sheet as at 31 March 2008

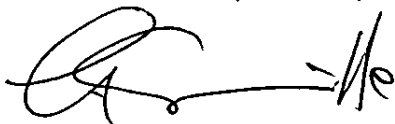
	Note	Group		Trust	
		2008 £	2007 £	2008 £	2007 £
Fixed assets					
Tangible assets	12, 13	359,260	368,471	341,072	349,890
Investments	14	-	-	11,000	11,000
		<u>359,260</u>	<u>368,471</u>	<u>352,072</u>	<u>360,890</u>
Current assets					
Stocks		6,865	6,050	4,350	4,350
Debtors	15	55,580	56,589	39,024	43,278
Cash at bank and in hand		<u>625,073</u>	<u>227,790</u>	<u>600,222</u>	<u>198,266</u>
		<u>687,518</u>	<u>290,429</u>	<u>643,596</u>	<u>245,894</u>
Creditors	16	<u>117,259</u>	<u>94,215</u>	<u>101,140</u>	<u>66,650</u>
Net current assets		<u>570,259</u>	<u>196,214</u>	<u>542,456</u>	<u>179,244</u>
Net assets	20	<u>929,519</u>	<u>564,685</u>	<u>894,528</u>	<u>540,134</u>
Capital funds					
Restricted funds	18	121,294	77,088	121,294	77,088
Unrestricted funds	19	<u>808,225</u>	<u>487,597</u>	<u>773,234</u>	<u>463,046</u>
		<u>929,519</u>	<u>564,685</u>	<u>894,528</u>	<u>540,134</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board and signed on it's behalf:


Mr M O'Brien (Chairman)

Date: 28/7/08


Mr G Saville (Trustee)

Date: 28 July 2008

The notes form part of these financial statements

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards and the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005).

The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of section 230 of the Companies Act 1985 and has not included a separate SOFA of its own.

b) Company status

The Hospice is limited by guarantee and every member undertakes to contribute such an amount, not exceeding £1, as may be required in the event of the charity being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company.

c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity when this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of a head count.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

f) Tangible fixed assets

Depreciation is provided on tangible fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	- equal annual instalments over estimated life
Leasehold property	- 2% on reducing balance
Fixtures and equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

g) Stocks

Stock consists of purchased goods for resale and donated goods to be sold. Stocks are valued at the lower of cost and net realisable value.

h) Pension costs

Contributions in respect of the Hospice's defined contribution schemes are charged to the SOFA for the year in which they are payable.

i) Operating leases

Rent applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA.

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

2 Net income from trading activities of the subsidiaries

The charity has two wholly owned subsidiaries which are incorporated in the UK, Treetops Funding Limited and Treetops Retail Limited. The companies gift their taxable profits to Treetops Hospice Trust under the Gift Aid provisions. A summary of the trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

Profit and loss account	Retail 2008 £	Funding 2008 £	Total 2008 £	Total 2007 £
Hospice Lottery receipts (inc. prizes not claimed)	-	263,068	263,068	237,818
Shop sales	313,156	-	313,156	307,957
Catering	51,584	-	51,584	56,130
	364,740	263,068	627,808	601,905
Prizes	-	(72,200)	(72,200)	(72,200)
Cost of shop sales	(9,708)	-	(9,708)	(9,209)
Catering supplies	(20,028)	-	(20,028)	(20,763)
	335,004	190,868	525,872	499,733
Administration	(240,538)	(114,353)	(354,891)	(353,333)
	94,466	76,515	170,981	146,400

3 Voluntary income - analysis by fund type

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total 2008 £	Total 2007 £
Donations and sponsorships	1,200	151,857	153,057	144,627
Ripple Appeal for new building	40,746	-	40,746	66,655
Children's Bereavement Project	8,500	-	8,500	30,700
Legacies and bequests	-	345,366	345,366	39,594
Income from charitable trusts and industry	-	30,979	30,979	23,232
Total voluntary income	50,446	528,202	578,648	304,808

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

3 Voluntary income - analysis by fund type (continued)

Analysis of income from charitable trusts and industry:

	2008 £
The Institute of Our Lady of Mercy	1,500
The Ruffield Charitable Trust	2,150
The Roger Vere Foundation	500
The Lynn Foundation	500
The Sir John Sumner's Trust	50
M G Banbury	75
The Sawley Charities	500
The Duke of Devonshire's Charitable Trust	5,000
Corporate (total)	<u>20,704</u>
	<u>30,979</u>

Analysis of Ripple Appeal donations:

Corporate & groups	20,910
General donations	16,891
Events	<u>2,945</u>
	<u>40,746</u>

Analysis of Childrens' Bereavement Project donations:

The Michael Crawford Children's Charity	1,500
The Sir Jules Thorn Charitable Trust	1,000
Anonymous	1,000
The Thomas J Horne Memorial Trust	<u>5,000</u>
	<u>8,500</u>

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

4 Activities for generating funds - analysis by fund type

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total 2008 £	Total 2007 £
Hospice Lottery income		263,068	263,068	237,818
Shop sales		313,156	313,156	307,957
Catering		51,584	51,584	56,130
Other fundraising activities:				
Support group donations from organised events		4,693	4,693	5,104
Income from other clubs and organisations		24,006	24,006	21,601
Christmas appeal		15,085	15,085	19,781
Car boot sales		8,121	8,121	11,880
Light Up A Life		12,455	12,455	14,998
Friends of Treetops		7,013	7,013	610
Golf Day		4,024	4,024	-
Easter appeal		10,138	10,138	7,905
Recycling		1,320	1,320	1,859
Prize draw		15,517	15,517	13,542
Hospice events		21,258	21,258	18,717
Miscellaneous		3,750	3,750	4,729
	-	755,188	755,188	722,631

5 Investment income - analysis by fund type

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total 2008 £	Total 2007 £
Interest received	-	18,212	18,212	10,247

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

6 Incoming resources from charitable activities

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total 2008 £	Total 2007 £
Service agreements:				
Derby City PCT		274,325	274,325	267,634
Nottingham County Teaching PCT		73,555	73,555	25,971
	-	347,880	347,880	293,605
Other income:				
Education		10,388	10,388	12,610
Meals and refreshments		8,360	8,360	5,995
Trustee membership fees		490	490	370
NHS pension rebate		7,656	7,656	7,513
Miscellaneous		-	-	-
	-	26,894	26,894	26,488
Total incoming resources from charitable activities	-	374,774	374,774	320,093

7 Cost of generating voluntary income

	Direct 2008 £	Staff costs 2008 £	Other 2008 £	Total 2008 £	Total 2007 £
Hospice lottery	72,200	77,029	37,324	186,553	195,577
Shops	9,708	117,449	111,262	238,419	220,659
Catering	20,028	8,151	3,676	31,855	39,269
Ripple appeal (restricted fund)	-	-	193	193	46,641
Fund raising activities	24,244	63,685	35,317	123,246	72,288
	126,180	266,314	187,772	580,266	574,434

Direct costs are those associated with providing the activity, for example, lottery prizes and shop cost of sales.

Other costs include depreciation, support costs and other indirect costs.

Included within fundraising activities is £44,000 in respect of the ripple appeal.

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

8 Charitable activities

	Staff costs 2008 £	Other 2008 £	Depreciation 2008 £	Total 2008 £	Total 2007 £
Day care provision	171,456	47,790	3,597	222,843	216,939
Bereavement support	42,604	8,622	960	52,186	53,206
Complementary therapy	11,146	12,768	360	24,274	23,448
Hospice at home	372,588	71,735	6,834	451,157	428,102
Training	2,934	6,749	239	9,922	10,762
	<u>600,728</u>	<u>147,664</u>	<u>11,990</u>	<u>760,382</u>	<u>732,457</u>

Support costs and volunteer costs have been allocated to charitable activities in proportion to the direct costs attributed to each activity. The relevant proportions are: Day Care provision 30%, Bereavement Support 8%, Complementary Therapy 3%, Hospice at Home 57% and Training 2%, the same as in the previous year.

9 Governance costs

	Staff costs 2008 £	Other 2008 £	Depreciation 2008 £	Total 2008 £	Total 2007 £
Governance costs	<u>8,323</u>	<u>6,970</u>	<u>-</u>	<u>15,293</u>	<u>11,098</u>

Other governance costs represent Trust audit fees, legal costs and the costs of an asbestos survey.

10 Total resources expended

	2008 £	2007 £
Total resources expended include:		
Depreciation	16,837	18,168
Auditors' remuneration	<u>2,938</u>	<u>2,938</u>

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

11 Staff costs and trustee remuneration

No employee earned more than £60,000 during the year.

No trustees were paid any remuneration during the year. One trustee received travelling expenses of £99.

The average number of persons employed including part-time staff calculated on a full-time equivalent basis analysed by function was:

	2008	2007
Direct charitable	23	22
Fund raising and publicity	13	12
Management and administration	2	2
	<u>38</u>	<u>36</u>

12 Tangible fixed assets - group

	Freehold & Leasehold Property £	Fixtures & Equipment £	Office Equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2007	361,465	104,145	39,205	14,195	519,010
Disposals		(5,252)	(4,854)		(10,106)
Additions	-	1,243	14,429	-	15,672
At 31 March 2008	<u>361,465</u>	<u>100,136</u>	<u>48,780</u>	<u>14,195</u>	<u>524,576</u>
Depreciation					
At 1 April 2007	47,865	71,271	27,854	3,549	150,539
On disposals		(4,338)	(3,787)		(8,125)
Charge for year	6,071	9,409	4,760	2,662	22,902
At 31 March 2008	<u>53,936</u>	<u>76,342</u>	<u>28,827</u>	<u>6,211</u>	<u>165,316</u>
Net book value					
At 31 March 2008	<u>307,529</u>	<u>23,794</u>	<u>19,953</u>	<u>7,984</u>	<u>359,260</u>
At 31 March 2007	<u>313,600</u>	<u>32,874</u>	<u>11,351</u>	<u>10,646</u>	<u>368,471</u>

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

The net book value of the group's tangible fixed assets represents:

	Freehold & Leasehold Property £	Fixtures & Equipment £	Office Equipment £	Motor Vehicles £	Total £
Direct charitable purposes:					
Day care	162,942	25,745	-	-	188,687
Other purposes:					
Fund raising and publicity	-	-	4,456	7,984	12,440
Management and administration	144,588	3,720	9,825	-	158,133
	<u>307,530</u>	<u>29,465</u>	<u>14,281</u>	<u>7,984</u>	<u>359,260</u>

13 Tangible fixed assets - Trust

	Freehold & Leasehold Property £	Fixtures & Fittings £	Office Equipment £	Total £
Cost				
At 1 April 2007	361,466	81,972	39,206	482,644
Disposals		(5,252)	(4,855)	(10,107)
Additions		1,243	8,757	10,000
	<u>361,466</u>	<u>77,963</u>	<u>43,108</u>	<u>482,537</u>
At 31 March 2008	361,466	77,963	43,108	482,537
Depreciation				
At 1 April 2007	47,865	57,035	27,854	132,754
On disposals		(4,338)	(3,788)	(8,126)
Charge for year	6,071	6,006	4,760	16,837
	<u>53,936</u>	<u>58,703</u>	<u>28,826</u>	<u>141,465</u>
At 31 March 2008	53,936	58,703	28,826	141,465
Net book value				
At 31 March 2008	<u>307,530</u>	<u>19,260</u>	<u>14,282</u>	<u>341,072</u>
At 31 March 2007	<u>313,601</u>	<u>24,937</u>	<u>11,352</u>	<u>349,890</u>

The trustees are of the opinion that the open market value of the freehold property is in excess of its carrying value. It is not considered practical to quantify this excess.

The freehold and leasehold property comprises the building and grounds known as Treetops Hospice:

	2008 £	2007 £
Initial costs	260,964	260,964
Subsequent improvements to freehold property	96,659	96,659
Leasehold property	<u>3,842</u>	<u>3,842</u>
	<u>361,465</u>	<u>361,465</u>

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

14 Investments

	2008 £	2007 £
Wholly owned subsidiaries	11,000	11,000

15 Debtors

	Group		Trust	
	2008 £	2007 £	2008 £	2007 £
Service debtors	19,967	21,954	14,951	18,251
Amounts due from group companies	-	-	1,597	4,161
Prepayments and accrued income	35,613	27,708	22,476	20,790
Other debtors	-	6,927	-	76
	55,580	56,589	39,024	43,278

16 Creditors

	Group		Trust	
	2008 £	2007 £	2008 £	2007 £
Trade creditors	22,383	23,687	16,757	15,428
Other taxes and social security	16,371	16,224	16,371	16,224
Other creditors	1,747	2,149	1,747	2,010
Accruals and deferred income	28,416	11,727	21,084	7,988
Amounts due to group companies	-	-	45,181	25,000
Lottery receipts in advance	48,342	40,428	-	-
	117,259	94,215	101,140	66,650

17 Financial commitments

As at 31 March 2008 annual commitments under operating leases, all in relation to land and buildings, were:

	2008 £	2007 £
Under one year	18,100	4,600
Two to five years	37,556	37,556
Over five years	7,100	7,100
	62,756	49,256

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

18 Restricted funds

	Ripple appeal for new building £	Daycare refurb. £	Replacement windows £	Equipment £	cont'd
At 1 April 2007	28,203	8,474	9,083	628	
Donations	40,746	1,200			
	68,949	9,674	9,083	628	
Costs	(193)	(1,200)	-	-	
Depreciation	-	(2,419)	(2,271)	(157)	
At 31 March 2008	68,756	6,055	6,812	471	

	Childrens' Bereavement Project £	Total £
At 1 April 2007	30,700	77,088
Donations	8,500	50,446
	39,200	127,534
Costs	-	(1,393)
Depreciation	-	(4,847)
At 31 March 2008	39,200	121,294

Represented by:

	Cash at bank £	Fixed assets £	Total £
Ripple appeal for new building	68,756	-	68,756
Childrens' Bereavement Project	39,200	-	39,200
Daycare refurbishment	-	6,055	6,055
Replacement windows	-	6,812	6,812
Equipment	-	471	471
	107,956	13,338	121,294

Treetops Hospice Trust

Notes to the financial statements for the year ended 31 March 2008

19 Unrestricted funds

	Total £
At 1 April 2007	487,597
Movement in year	<u>320,628</u>
At 31 March 2008	<u><u>808,225</u></u>

20 Analysis of group net assets between funds

	General fund £	Restricted funds £	Total £
Tangible fixed assets	345,922	13,338	359,260
Cash at bank and in hand	517,117	107,956	625,073
Other net current assets	(54,814)	-	(54,814)
	<u>808,225</u>	<u>121,294</u>	<u><u>929,519</u></u>